Federal Communications Commission 445 12th Street, S.W. Washington, D.C. 20554

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DA 06-1744 Released: August 30, 2006

DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF ASSETS OF SUPRA TELECOMMUNICATIONS AND INFORMATION SYSTEMS, INC. TO CLEARTEL COMMUNICATIONS, INC., SUPRA TELECOMMUNICATIONS AND INFORMATION SYSTEMS ACQUISITION CORP., AND CLEARTEL TELECOMMUNICATIONS, INC.

## STREAMLINED PLEADING CYCLE ESTABLISHED

**WC Docket No. 06-164** 

Comments Due: September 13, 2006

Reply Comments Due: September 20, 2006

On July 31, 2006, Cleartel Communications, Inc. ("CCI"), Supra Telecommunications and Information Systems Acquisition Corp. ("New Supra"), and Cleartel Telecommunications, Inc. ("CTI") (collectively "Transferees"), filed an application, pursuant to section 63.04 of the Commission's rules, 1 requesting authority to transfer certain assets from Supra Telecommunications and Information Systems, Inc. ("Old Supra") (together with Transferees, "Applicants") to Transferees.

Applicants assert that this transaction is entitled to presumptive streamlined treatment under 63.03(b)(2)(i) of the Commission's rules because the proposed transaction will result in (i) Transferees having a market share in the interstate, interexchange market of less than 10 percent; (ii) Transferees providing competitive telephone exchange or exchange access services, if at all, exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction and; (iii) none of the Applicants being dominant with respect to any service.<sup>3</sup>

<sup>47</sup> C.F.R. §§ 63.03, 63.04; see 47 U.S.C. § 214.

Applicants filed supplements to their domestic application on August 25 and August 30, 2006. Applicants are also filing applications for transfer of control associated with authorization for international services. Any action on this domestic 214 application is without prejudice to Commission action on other related, pending applications.

<sup>&</sup>lt;sup>3</sup> 47 C.F.R. § 63.03(b)(2)(i).

Old Supra, a Florida corporation, is licensed to provide facilities-based local and/or long distance competitive telecommunications services in California, Florida, Georgia, New York, and Texas. It currently provides competitive local and long distance services in New York and Florida to residential consumers.

CCI, a Delaware corporation, wholly owns the following U.S.-based subsidiaries that provide local, long distance, and data services to residential and business customers in 30 states:<sup>4</sup> CTI, a Delaware corporation, Cleartel Telecommunications of Virginia, Inc., a Virginia corporation, NOW Communications, Inc., a Delaware corporation, Telecon Communications Corp., a New York corporation, IDS Telecom Corp., a Delaware corporation, and NII Communications, Ltd., a Texas limited partnership. New Supra, a Delaware corporation, is also wholly owned by CCI and does not currently provide telecommunications services. MCG Capital Corporation, a Delaware corporation with investments as its principal business, whollyowns CCI.<sup>5</sup> Applicants state that no entity owns more than 10 percent of MCG Capital Corporation, and that no entity will directly or indirectly own 10 percent or more of the equity of CCI, New Supra, or CTI.

Pursuant to an Asset Purchase Agreement dated July 24, 2006 between CCI, Old Supra, and New Supra, Old Supra has agreed to sell to New Supra certain assets of Old Supra, including its customer base and other assets associated with its telecommunications services operations. As a result, New Supra will replace Old Supra as the service provider operating in Florida, and CTI will replace Old Supra as the service provider operating in New York.<sup>6</sup> Applicants

<sup>&</sup>lt;sup>4</sup> The states are Alabama, Arkansas, California, Connecticut, the District of Columbia, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.

<sup>&</sup>lt;sup>5</sup> MCG Capital Corporation has an indirect ownership interest in the following U.S.-based telecommunications entities: BridgeCom International, Inc., TruCom Corporation, Broadview Networks, Inc., and Broadview NP Acquisition Corp., which provide resold and facilities-based competitive interexchange and local exchange services in Arkansas, California, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Maine, Maryland, Massachusetts, Michigan, Montana, Nevada, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, Texas, Vermont, Washington, and West Virginia. Broadview Networks, Inc. also has a wholly owned subsidiary, Broadview Networks of Virginia, Inc., that is authorized to provide competitive local and long distance telecommunications services in Virginia. MCG Capital Corporation also acquired an indirect ownership interest in ATX Licensing, Inc. through the transfer of control of ATX Licensing, Inc. to Broadview Networks Holdings, Inc. See Notice of Streamlined Domestic 214 Applications Granted, Domestic Section 214 Application filed for Transfer of Control of ATX Licensing, Inc. to Broadview Networks Holdings, Inc., WC Docket No. 06-132, DA 06-1725 (rel. Aug. 28, 2006).

<sup>&</sup>lt;sup>6</sup> Although Old Supra's customers are being transferred as a result of the transaction, Old Supra does not seek approval to discontinue interstate or international service at this time.

emphasize that, although the proposed transactions will involve a transfer of customers, immediately following the proposed transaction, those customers will continue to receive service from CCI, through CTI and New Supra, under the same rate, terms and conditions as the services currently provided.

Applicants state that the proposed transaction serves the public interest because Old Supra's customers will continue to receive high quality service through a transaction that will be virtually transparent to them. Applicants further state that the proposed transaction will enhance the ability of Transferees to provide high quality telecommunications service in the affected markets by expanding CCI's presence, through New Supra and CTI, as a viable competitor.

## **GENERAL INFORMATION**

The transfer of assets identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Interested parties may file comments on or before September 13, 2006 and reply comments on or before September 20, 2006. Unless otherwise notified by the Commission, Applicants are permitted to transfer the assets and related control on the 31st day after the date of this notice.8 Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. See Electronic Filing of Documents in Rulemaking Proceedings, 63 Fed. Reg. 24121 (1998).

Comments filed through the ECFS can be sent as an electronic file via the Internet to <a href="http://www.fcc.gov/e-file/ecfs.html">http://www.fcc.gov/e-file/ecfs.html</a>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send e-mail to ecfs@fcc.gov, and should include the following words in the subject line "get form <your email address>." A sample form and directions will be sent in reply.

Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding. commenters must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by firstclass or overnight U.S. Postal Service mail (although we continue to experience delays in

See 47 C.F.R. § 63.03(a).

Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

receiving U.S. Postal Service mail). The Commission's contractor, Natek, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C. 20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

## In addition, one copy of each pleading must be sent to each of the following:

- (1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, SW, Room CY-B402, Washington, DC 20554, <a href="https://www.bcpiweb.com">www.bcpiweb.com</a>; phone: (202) 488-5300 fax: (202) 488-5563;
- (2) Cecilia Seppings Competition Policy Division, Wireline Competition Bureau, 445 12<sup>th</sup> Street, S.W., Room 5-C212, Washington, D.C. 20554; e-mail: <a href="mailto:cecilia.seppings@fcc.gov">cecilia.seppings@fcc.gov</a>;
- (3) Jodie May, Competition Policy Division, Wireline Competition Bureau, 445 12<sup>th</sup> Street, S.W., Room 5-C234, Washington, D.C. 20554; e-mail: jodie.may@fcc.gov;
- (4) Susan O'Connell, Policy Division, International Bureau, 445 12<sup>th</sup> Street, S.W., Room 7-B544, Washington, D.C. 20554; email: <a href="mailto:susan.o'connell@fcc.gov">susan.o'connell@fcc.gov</a>; and
- (5) James Bird, Office of General Counsel, 445 12<sup>th</sup> Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: james.bird@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC, 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC 20554, telephone: (202) 488-5300, fax: (202) 488-5563, or via e-mail <a href="https://www.bcpiweb.com">www.bcpiweb.com</a>.

For further information, please contact Cecilia Seppings, at (202) 418-1588, or Jodie May, at (202) 418-0913.